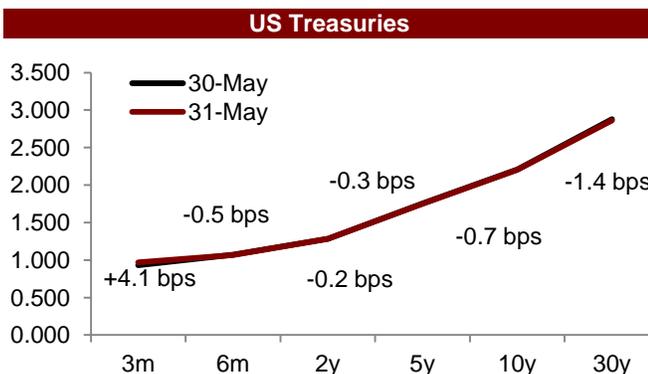
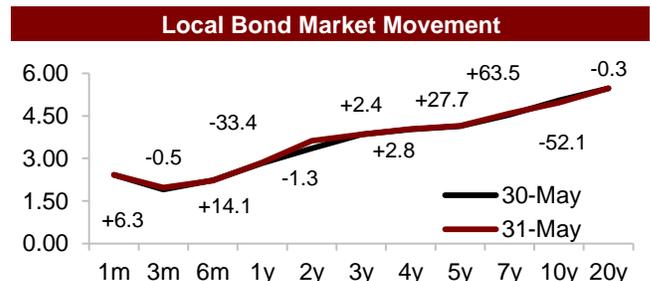
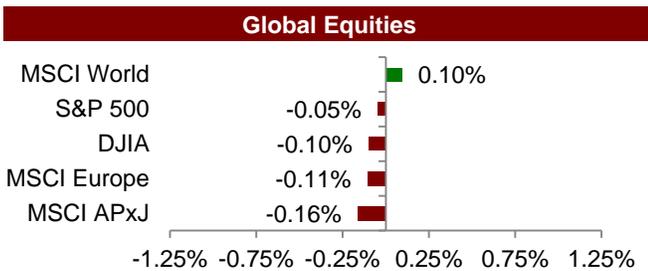
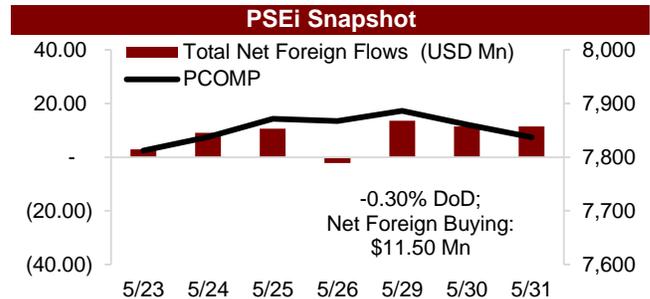


**Global equities mostly edged lower following weak economic data, particularly in the US and Europe, which consequently affected the US dollar and US treasury prices. Moreover, the upcoming UK general elections on June 8 weighed on European markets while Brent crude oil prices dove 3% day-on-day on the back of concerns on the possibility of continued higher production.**

- ✓ The **local equities index** waned as market players continued to take profits after a 10-day rally in the index. Local selling reigned, despite the injection of net foreign inflows amounting to \$11.50 million. The PSEi declined by 0.30%, closing at 7,837.12.
- ✓ Yields of **fixed income securities** rose on average, led by the belly of the curve's retracement back to normal levels, after the 7 year FXTN auction yesterday. On average, yields advanced by 2.98 bps.

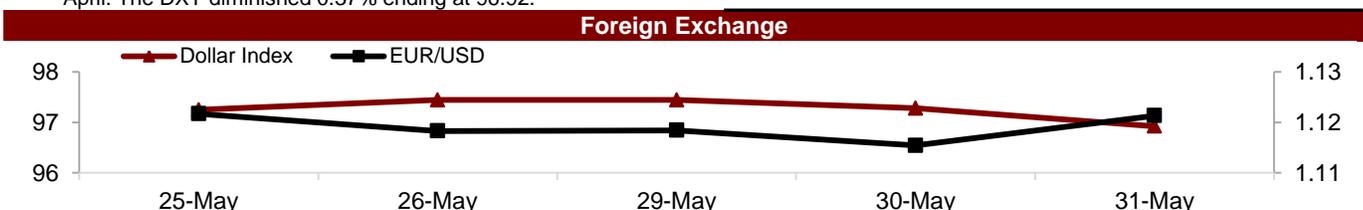


- ✓ **US equities** fell, burdened by the financial sector as comments from bank executives on second quarter releases, proved unfavorable along with weaker-than expected economic data. The DJIA and the S&P 500 slid 0.10% to 21,008.65 and 0.05% to 2,411.80, respectively.
- ✓ **European shares** dipped as concerns flurried ahead of the UK's general elections this week. Reports suggested that the Conservative party may lose as many as 20 seats with the opposition gaining 30, ahead of its heated elections on June 8. The MSCI Europe declined 0.11% closing at 131.62.
- ✓ **Asian stocks** were mixed as investors digested the strength of global economic growth with the recent manufacturing data from China. Some pressure resulted from the slump in Brent oil prices following doubts that an OPEC deal extension will be enough to combat higher oil production. The MSCI APxJ slid 0.16% to 497.82.
- ✓ **US Treasury yields** edged marginally higher amid end-of-the-month portfolio rebalancing and the Fed's Beige book suggesting softer consumer spending in most districts. On average, yields increased 0.16 bps. The 10-year ended at 2.2028%.

- ✓ The **Philippine peso** slightly strengthened on the back of a weak dollar, after dovish comments from the Federal Governor Brainard suggested a reassessment of monetary policy in the US due to soft inflation. The PHP strengthened against the USD by 0.15% to 49.76.
- ✓ The **US dollar** depreciated after results of housing data and manufacturing fell short of expectations. The Chicago PMI tumbled to 55.2 in May from its strongest level in more than 2 years while US pending home sales declined 1.3% in April. The DXY diminished 0.37% ending at 96.92.

### Foreign Exchange

USD/PHP	Previous Close	49.840
	Close	49.765
EUR/USD	Previous Close	1.1154
	Indicative Rate	1.1175



## Key Indicators

YIELDS AND PRICES	31-May-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	1.90	0.00%	-0.20%	-0.22%	-0.77%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.84	0.00%	0.01%	-0.11%	0.47%
ROP2021 (Price)	106.49	0.08	(0.02)	(0.02)	(1.88)
ROP2034 (Price)	133.28	(0.08)	(0.43)	(0.12)	2.81
3-Month US Treasury Yield	0.93	0.01%	0.03%	0.14%	0.77%
3-Month German Treasury Bill Yield	(0.85)	0.02%	0.02%	0.01%	-0.31%
Dubai Crude Oil Spot (\$/bbl)	50.36	-0.22%	-3.32%	0.34%	56.74%
Gold Spot (\$/oz)	1,263.15	-0.50%	0.96%	-0.41%	19.01%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
6/7/2017	Foregin Reserves	May	\$81.8bn
6/6/2017	CPI YoY	May	3.40%

### Developed Markets

Date	Country	Event	Period	Prior
6/1/2017	US	Initial Jobless Claims	May	234k
6/1/2017	Japan	Capital Spending YoY	1Q	3.8%
6/1/2017	EU	Markit Eurozone Manufacturing PMI	May	57.0

### Emerging Markets

Date	Country	Event	Period	Prior
6/1/2017	China	Caixin China PMI Mfg	May	50.3
6/1/2017	India	Nikkei India PMI Mfg	May	52.5
6/2/2017	Indo	CPI YoY	May	4.17%

Sources: BPI, Business World, PDI, Phil Star, Manila Bulletin, Reuters, Briefing, Bloomberg, CNN, Dow Jones, The Wall Street Journal, CNBC